

**Activities of the Office of Internal Oversight Services
for the period from 1 July 2016 to 30 June 2017
(A/72/330 (Part I) and Add.1)**

**Statement to the Fifth Committee by
Under Secretary-General, Office of Internal Oversight Services
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5 October 2017

Mr. Chairman, distinguished Members of the Fifth Committee,

I am pleased to introduce the report on non-peacekeeping activities of the Office of Internal Oversight Services (OIOS) for the year ending 30 June 2017, A/72/330 (Part I) and Addendum.

During the reporting period, OIOS issued 374 oversight reports, including 7 reports to the General Assembly and 30 closure reports. The reports included 1,183 recommendations to improve internal controls, accountability mechanisms and organizational efficiency and effectiveness, of which 29 were classified as critical.

Audit recommendations have been analyzed and categorized into five integrated components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Figure 1 in the report provides an overview of the trends in these categories over a three year period. In each of these years, the bulk of the recommendations related to the control activities component. Control activities include a range of policies, procedures and other mechanisms used to minimize risks during programme implementation.

One year ago the Office reported in A/71/337 that we had initiated a review of ratings assigned to audits, taking into account the management concerns and feedback based on the experience gained since the ratings' establishment five years prior. Between the issuance of this report and its formal introduction to this Committee, the working group completed its work. I announced in my introductory statement that, as of October 1, 2016, the office would use appropriately tailored overall conclusions instead of standardized ratings to improve the manner in which the office communicates its internal standards results. The use of such conclusions is in line with the Institute of Internal Auditor standards that the Office follows. OIOS has a large, complex portfolio of clients who operate in vastly different risk environments. Their portfolios are at various levels of maturity with the internal control system; therefore, a one-size-fits-all approach toward report ratings was not the best fit for Organization. One year later,

the Office remains convinced that overall conclusions are the most appropriate approach.

Mr. Chairman,

During the reporting period, OIOS has implemented improvements to help focus our work and improve accountability for our own resources.

Both the Internal Audit Division and Inspection and Evaluation Division continued to revise their methodology to more effectively capture risks and ensure that our work plans are aligned with the Organizations enterprise risk management strategy.

OIOS also continued to work in the Umoja environment with all three divisions engaged in learning activities to ensure that staff fully leverage the wealth of system information. The work referenced in our annual report, continues; the internal audit working group has developed standard audit procedures for auditing typical processes based on the Umoja system's processes and functionalities, and have trained most of our auditors on use of data analytic tools. And beyond the use of Umoja, synthesizing information across audit, evaluation and investigation offers a deeper understanding of the connections needed to improve oversight while providing management with the insight required to address enterprise-level accountability.

In the area of Investigations, we have undertaken significant recruiting exercises, the results of which will be realized when these newly appointed staff complete onboarding. Whereas Part II of this report will specifically address Sexual Exploitation and Abuse investigation activities, this area remains a significant area of focus – not just in conducting investigations but also in training (as referenced in para 13 of the report). In addition to our work in SEA, the Office made robust efforts to identify the risks and weaknesses in organizational governance, promote a culture of ethical integrity, and combat fraudulent and corrupt activities that pose serious financial, operational, or reputational threats.

Mr. Chairman, distinguished delegates,

Since its establishment by the General Assembly in 1994, our key objective remains supporting the Secretary-General in his oversight responsibilities. OIOS staff members are guided by this fundamental mandate and by our vision of a strong and accountable United Nations fortified by world-class internal oversight and our mission of delivering objective oversight results that make a difference.

I would like to thank OIOS staff for their hard work and dedication and I would also like to express my appreciation to you, the Member States, for your continued support and for the trust you place in OIOS. I welcome any questions you may have.

Thank you.